

INVESTING IN OPPORTUNITY

FISCAL YEAR 2016 YEAR IN REVIEW





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INTRODUCTION AND OVERVIEW

A MESSAGE FROM CDFI FUND DIRECTOR ANNIE DONOVAN

Dear Colleagues:



I am pleased to present to you the Community Development Financial Institutions Fund's (CDFI Fund) fiscal year (FY) 2016 Year in Review. As you will see in the following pages, the CDFI Fund made measurable progress toward expanding economic opportunity and growth in distressed communities. In the past year, our programs leveraged billions of dollars in investor capital, provided financing to thousands of businesses (most of them small businesses), enabled the creation of jobs across the country, and catalyzed the development of tens of thousands of affordable housing units. That's impact!

The CDFI Fund awarded organizations more than **\$543 million in financial assistance, loans, and bond guarantees** in FY 2016, including the first award round of the Capital Magnet Fund since FY 2010. And we recognized innovative practices that will increase access to capital and financial services in underserved rural areas, especially areas of persistent poverty, through our 2016 CDFI Prize Competition.

Shortly after the close of FY 2016, we announced the largest single award round for the New Markets Tax Credit Program in history—\$7 billion in tax credits for community and economic development activities in low-income communities nationwide.

In addition to these programmatic achievements, we significantly advanced the implementation of the Awards Management Information System (AMIS). AMIS is a cloud-based, integrated technology platform that will increase our efficiency, improve the quality of the data we collect, and enhance the customer experience.

We also spent time thinking about how we can increase our reach in low-income communities; deepen the impact of the services that CDFIs are offering now; and encourage innovative financial products, services, and solutions for low-income Americans across the country. The end result is our Strategic Plan for FY 2017-2022, which you can preview in this publication and view in full on our website.

I am proud of the work already achieved by both the CDFI Fund and our awardees, but more importantly I am excited to get to work in the coming months to implement our strategic objectives. My sincere thanks to everyone—from CDFIs and members of the public, to members of our Community Development Advisory Board, to the CDFI Fund's staff—for their thoughtful contributions to this process. Together, we are ready to create an even more inclusive economy.

Read on to view the CDFI Fund's FY 2016 achievements, and learn even more about our work at www.cdfifund.gov.

Sincerely,

A handwritten signature in blue ink that reads "Annie Donovan".

Annie Donovan
Director, CDFI Fund



OVERVIEW

THE CDFI FUND'S VISION AND MISSION

The vision of the CDFI Fund is an America in which all people and communities have access to the investment capital and financial services they need to prosper. Its mission is to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers.

The Community Development Financial Institutions Fund (CDFI Fund) works to spur economic growth, job creation, and opportunity in our nation's distressed and underserved communities by offering targeted resources and innovative programs to leverage federal dollars with private sector capital. The CDFI Fund supports mission-driven financial institutions that take a market-based approach to supporting economically underserved communities. These organizations are encouraged to apply for CDFI Certification and participate in CDFI Fund programs that inject new sources of capital into neighborhoods that lack access to financing.

The CDFI Fund achieves its purpose by promoting access to capital and local economic growth in the following ways:

1. through its Bank Enterprise Award Program by providing an incentive to banks to invest in their communities and in other CDFIs;
2. through its Capital Magnet Fund by providing competitively awarded grants for CDFIs and non-profit affordable housing organizations to finance the development, rehabilitation, preservation, and purchase of affordable housing and related economic development activities for low-income families and communities;
3. through its CDFI Bond Guarantee Program by issuing guarantees for bonds to support CDFIs that make investments for eligible community or economic development purposes;
4. through its Community Development Financial Institutions Program by directly investing in, supporting, and training CDFIs that provide loans, investments, financial services, and technical assistance to underserved populations and communities;
5. through its Native Initiatives, by taking action to provide financial assistance, technical assistance, and training to Native CDFIs and other Native entities proposing to become or create Native CDFIs; and
6. through its New Markets Tax Credit Program by providing allocations of tax credits to Community Development Entities which enable them to attract investment from the private-sector and reinvest these amounts in low-income communities.



WHAT ARE CDFIs?

Community Development Financial Institutions (CDFIs) share a common goal of expanding economic opportunity in low-income communities by providing access to financial products and services for local residents and businesses. CDFIs include banks, credit unions, loan funds, or venture capital providers. CDFIs strive to foster economic opportunity and revitalize neighborhoods, helping families finance their first homes, supporting community residents starting businesses, and investing in local health centers, schools, or community centers.

CDFIs generally offer negotiable rates and terms tailored to meet the needs of low-income borrowers and small businesses. CDFIs also provide services to help ensure credit is used responsibly, such as technical assistance to small businesses, and home buying and credit counseling to consumers.

A network of more than 1,000 CDFIs operates nationwide and bridges diverse private and public sector investors to create economic opportunity in low-income communities. In order to become a certified CDFI, an organization must meet the following seven criteria:

1. be a legal entity;
2. have a primary mission of promoting community development;
3. serve principally an investment area or targeted population;
4. be an insured depository institution, or otherwise have the offering of financial products and services as its predominant business activity;
5. provide development services (such as technical assistance or counseling) in conjunction with its financing activity;
6. maintain accountability to its target market; and
7. be a non-governmental entity and not be controlled by any governmental entities.



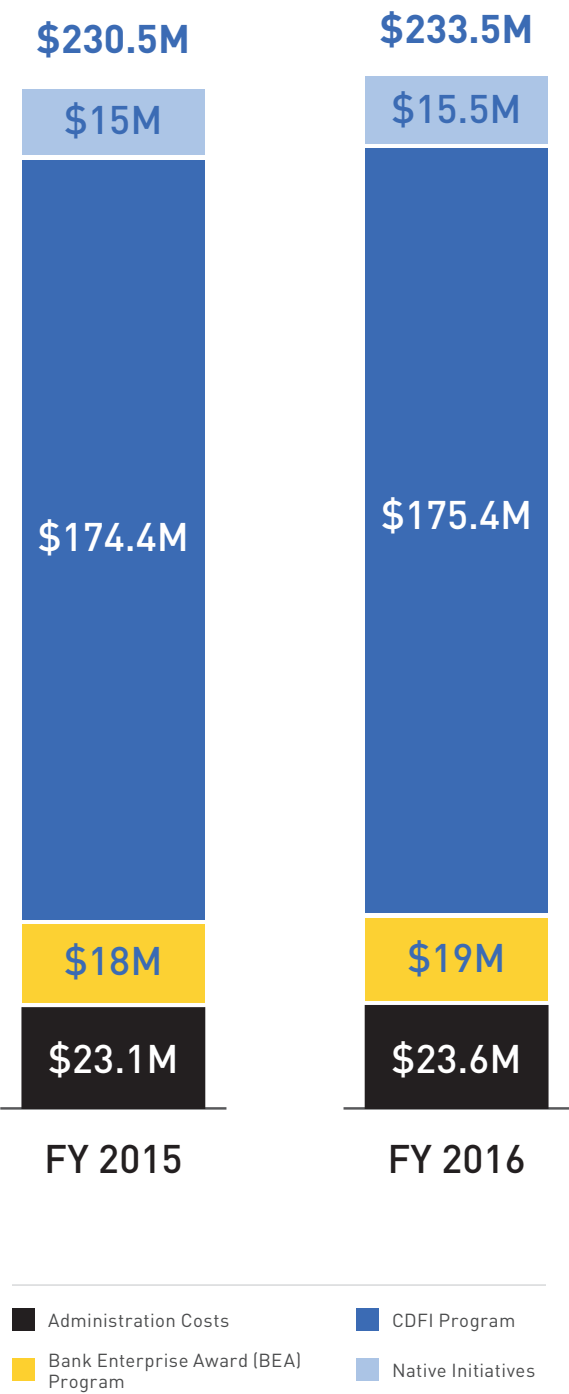
THE CDFI FUND’S BUDGET

The U.S. Congress appropriates the CDFI Fund’s budget on an annual basis. The budget is divided between program and administrative expenses. Program funds are used for program awards—grants, loans, deposits, equity investments, and capacity building. Administrative funds are used to cover the costs to administer all CDFI Fund programs. New Markets Tax Credits are authorized separately and the bond guarantees are provided at no net cost to the government.

In FY 2016, the CDFI Fund was appropriated \$233.5 million as follows:



FUNDING ALLOCATIONS (IN MILLIONS)



TOP FINANCIAL DATA



FY 2016 DATA¹

The following statistics measure the work of the CDFI Fund and the CDFIs and Community Development Entities (CDEs) that have received awards through the CDFI Fund's programs. However, the true impact of this work cannot be measured by statistics alone. Each CDFI certified, each dollar invested, each business financed, and each unit of affordable housing created represents a vital step in the transformation of a community.

CERTIFIED CDFIS

91 Net increase in the number of certified CDFIs over FY 2015

1,049 Total certified CDFIs at the end of FY 2016, including 74 Native CDFIs

COMMUNITY INVESTMENT

8 The number of organizations that received awards and honorable mentions through the 2016 CDFI Prize Competition for ideas to increase the availability of affordable financial services and lending in underserved rural areas and areas of persistent poverty

\$3.16B Loans and investments made possible through the New Markets Tax Credit Program (NMTC Program), of which 74.5 percent were made in severely distressed communities

\$265M Approved term sheets, agreements to guarantee, and bond loans closed through the CDFI Bond Guarantee Program in FY 2016

¹Source: FY 2016 CDFI Fund Agency Financial Report



FY 2016 DATA²

BUSINESSES AND JOBS³

11.3K

Businesses financed
by CDFI Program
awardees

530

Businesses financed
by NMTC Program
allocates

\$57M

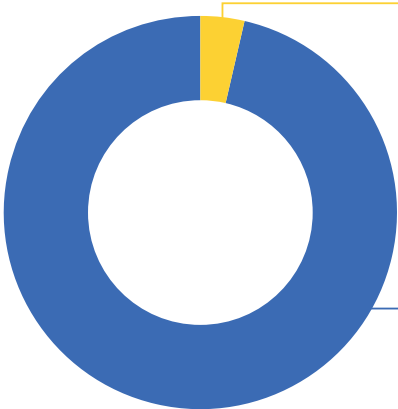
Amount of business and microenterprise loans provided by Native
American CDFI Assistance Program (NACA Program) awardees



37.6K JOBS

from the funds deployed through
the NMTC Program⁴

FINANCIAL ACCESS AND LITERACY⁵



16.5K INDIVIDUALS

that received financial literacy training
from NACA Program awardees

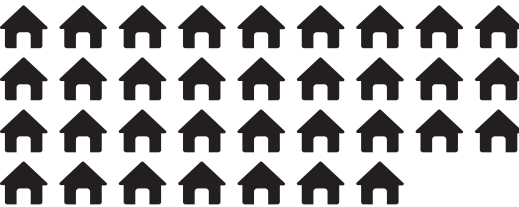
427K INDIVIDUALS

that received financial literacy or other
training from CDFI Program awardees

HOUSING AND COMMERCIAL REAL ESTATE⁶

10.2M

Square feet of commercial real estate developed from financing from
NMTC Program allocates



34K AFFORDABLE HOUSING UNITS

financed by CDFI Program and NMTC
Program awardees



²Source: FY 2016 CDFI Fund Agency Financial Report

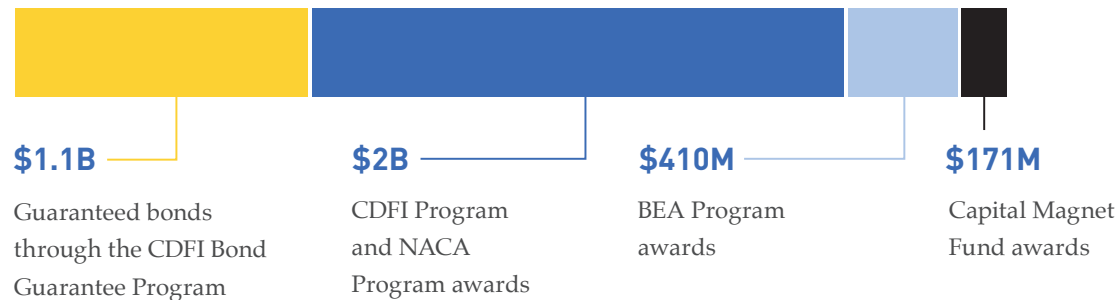
⁴See page 42 for break-down

^{3, 5, 6}Numbers are approximate

KEY HISTORICAL DATA (CUMULATIVE BY PROGRAM)⁷

AWARDS, ALLOCATIONS, AND BONDS SINCE INCEPTION

\$50.5B Allocated in tax credit investment authority through the NMTC Program



COMMUNITY INVESTMENT⁸

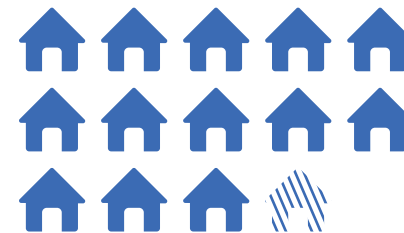
5.4K Businesses financed by NMTC Program allocatees

710K Jobs from the equity raised and deployed through the NMTC Program



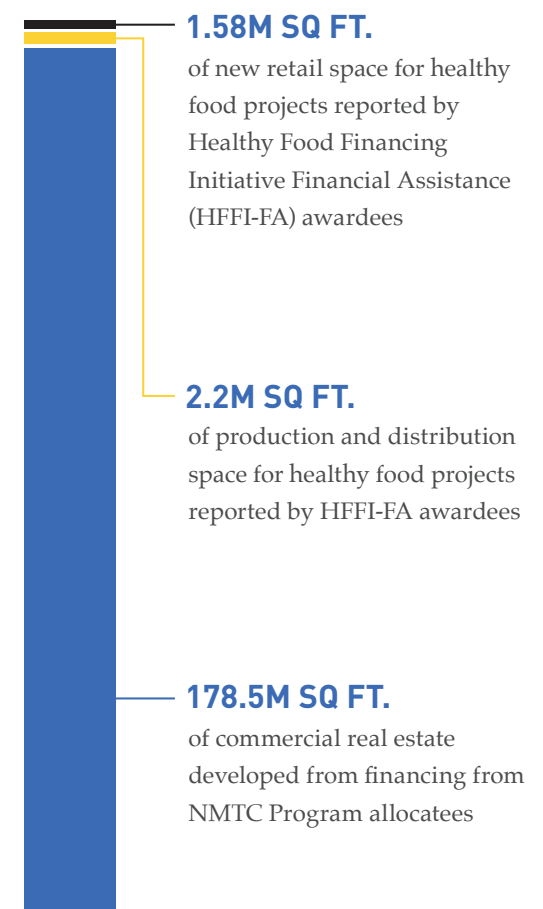
10.9K AFFORDABLE HOMES

under development or completed by Capital Magnet Fund awardees (from FY 2010 round)



13.9K AFFORDABLE HOUSING UNITS

developed from financing from NMTC Program allocatees



⁷Source: FY 2016 CDFI Fund Agency Financial Report

⁸Numbers are approximate

PROGRAM ACHIEVEMENTS



BANK ENTERPRISE AWARD PROGRAM

www.cdfifund.gov/bea

The Bank Enterprise Award Program (BEA Program) recognizes the key role that traditional financial institutions play in community development. Through the BEA Program, the CDFI Fund provides monetary awards to FDIC-insured depository institutions for investing in CDFIs and in economically distressed communities.

BEA Program awardees are recognized for increasing their investments in certified CDFIs through grants, stock purchases, loans, deposits, and other forms of financial and technical assistance, and for increasing their lending, investment, and service activities in communities where at least **30 percent of the population lives at or below the national poverty level and where unemployment is at least 1.5 times the national average**. Organizations that receive awards must then reinvest that money back into distressed communities.

In calendar year 2016, FY 2014 BEA Program award recipients reported on the use of their awards to the CDFI Fund. According to the information reported to date, FY 2014 BEA Program award recipients used their awards to engage in a variety of BEA qualified activities.

The table to the right shows how FY 2014 BEA Program award recipients used their awards by category, activity type, and amount.

FY 2016 Round: In January 2017, the BEA Program plans to announce the availability of more than \$19 million in funding available from FY 2016 appropriations. The BEA Program awards will be announced in FY 2017.

SINCE THE INCEPTION OF THE BEA PROGRAM IN 1994, THE CDFI FUND HAS AWARDED GRANTS TOTALING **MORE THAN \$429 MILLION.**

FY 2014 BEA PROGRAM AWARD RECIPIENTS' USE OF AWARD

 CDFI RELATED ACTIVITIES	CDFI Deposits/Shares	\$495,000
	CDFI Equity Investments	\$355,000
	CDFI Grants	\$671,000
	CDFI Loans	\$655,526
	TA Provided to CDFIs	\$130,000
 DISTRESSED COMMUNITY FINANCING ACTIVITIES	Affordable Home Mortgage Loans	\$1,696,493
	Affordable Housing Development Loans and Project Investments	\$3,116,585
	Commercial Real Estate Loans and Project Investments	\$6,343,422
	Home Improvement Loans	\$15,000
	Small Business Loans and Project Investments	\$3,593,634
 SERVICE ACTIVITIES	Community Services	\$56,000
TOTAL		\$17,127,660



CAPITAL MAGNET FUND

www.cdfifund.gov/cmfi

The Capital Magnet Fund provides competitive grant awards to CDFIs and non-profit housing organizations to attract private capital to finance affordable housing and economic development activities. Funds can be used to establish a variety of financing tools, including capitalizing affordable housing and revolving loan funds, loan-loss reserves, risk-sharing loans and loan guarantees.

Authorized under the Housing and Economic Recovery Act of 2008, Capital Magnet Fund awards are required to leverage private and public investments at least ten times the award amount.

In 2016, the Capital Magnet Fund awarded \$91.5 million to 32 applicants, which is expected to generate over **\$910 million** in public and private investment. The CDFI Fund received applications from 125 organizations requesting more than \$600 million.

With these resources, award recipients plan to develop **17,000 affordable housing units**, including more than 15,000 rental units and 2,000 homeownership units across 38 states. 28 percent of awardees plan to invest the majority of their Capital Magnet Fund dollars in non-metropolitan areas. Nearly 20 percent of award recipients plan to utilize their awards for economic development activities.

CAPITAL MAGNET FUND AWARDS MUST
BE LEVERAGED AT LEAST 10:1 WITH
PRIVATE AND PUBLIC INVESTMENTS.
THE 2016 AWARDEES PROJECT THAT 70
PERCENT OF THE LEVERAGED FUNDS
WILL COME FROM PRIVATE SOURCES.

CDFI BOND GUARANTEE PROGRAM

www.cdfifund.gov/bond

Established by the Small Business Job Act of 2010, the CDFI Bond Guarantee Program provides CDFIs access to long-term capital at competitive interest rates—at no cost to taxpayers.

Through the program, the Secretary of the Treasury provides a 100 percent guarantee of bonds issued by Qualified Issuers. The issuers use the bond proceeds to finance loans to Eligible CDFIs, which then use the funds to make loans in underserved communities. Eligible CDFIs are certified CDFIs that participate in the CDFI Bond Guarantee Program.

The Secretary of the Treasury may guarantee up to 10 bonds per year, each at a minimum of \$100 million. The total of all bonds cannot exceed \$1 billion per year.

In FY 2016, the CDFI Fund closed two bond transactions, and the Secretary issued the corresponding two guarantees totaling \$265 million. Since its inception, the total amount of bonds closed and corresponding guarantees exceeds **\$1.1 billion**.



TO DATE, PARTICIPATING CDFIS HAVE LENT MORE THAN **\$333 MILLION, OR 30 PERCENT OF THE TOTAL AMOUNT OF THE BONDS**, IN RURAL, URBAN, AND NATIVE COMMUNITIES FOR:



RENTAL HOUSING: **\$118.5M**



COMMERCIAL REAL ESTATE: **\$77.5M**



CHARTER SCHOOLS: **\$102.3M**



NON-PROFIT ORGANIZATIONS: **\$15.6M**



HEALTHCARE FACILITIES: **\$13.3M**



SMALL BUSINESSES: **\$2.9M**



DAYCARE CENTERS: **\$2.7M**



HEALTHY FOOD FINANCING INITIATIVE

Through the Healthy Food Financing Initiative (HFFI), the CDFI Fund provides flexible Financial Assistance awards to CDFIs that invest in businesses that help increase access to healthy and affordable food in low-income communities.

In FY 2016, the CDFI Fund awarded \$22 million in HFFI Financial Assistance Awards to help nine CDFIs finance healthy food activities.

23 previous HFFI awardees have reported 261 HFFI investments totaling \$137.9 million. There have been 131 retail investments totaling over \$115 million; these projects developed 1,581,243 square feet of new retail space for businesses ranging from small greengrocers to large supermarkets that serve low-income, low-access census tracts. In addition, there were 130 non-retail investments totaling over \$23 million in projects involving production and distribution, which developed 2,225,673 square feet of space for eligible healthy food activities.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM

www.cdfifund.gov/cdfi

The Community Development Financial Institutions Program (CDFI Program) is the CDFI Fund's flagship program and the primary federal award program for CDFIs. Through the CDFI Program, the CDFI Fund provides monetary awards to build the capacity of CDFIs to serve low-income people and communities that lack access to affordable capital, credit, and financial services.

The CDFI Fund provides two types of monetary awards through the CDFI Program: Financial Assistance (FA) awards and Technical Assistance (TA) awards. CDFIs use these funds to:

- Promote economic development by supporting small businesses, creating jobs, and developing commercial real estate.
- Develop affordable housing and promote home ownership.
- Provide community development financial services, including basic banking services, financial literacy programs, and alternatives to predatory lending.

These awards are provided each year through a competitive application process.

In addition, the CDFI Fund provides a variety of resources, including webinars, online application materials, and a Program Help Desk, to help applicants complete their applications.

SINCE THE CDFI
PROGRAM'S INCEPTION
IN 1994, ORGANIZATIONS
HAVE RECEIVED MORE
THAN **\$1.9 BILLION** IN
**FINANCIAL ASSISTANCE
AND TECHNICAL
ASSISTANCE.**

FINANCIAL ASSISTANCE AWARDS

The CDFI Fund makes Financial Assistance awards in the form of investments, loans, deposits, and grants to help existing CDFIs. A CDFI that receives a Financial Assistance award is required to match the award dollar-for-dollar with non-Federal funds. This requirement enables CDFIs to leverage private capital to meet the demand for affordable financial products and services in their communities.

The demand for Financial Assistance awards remains high. In FY 2016, the maximum award amount was capped at \$2 million.

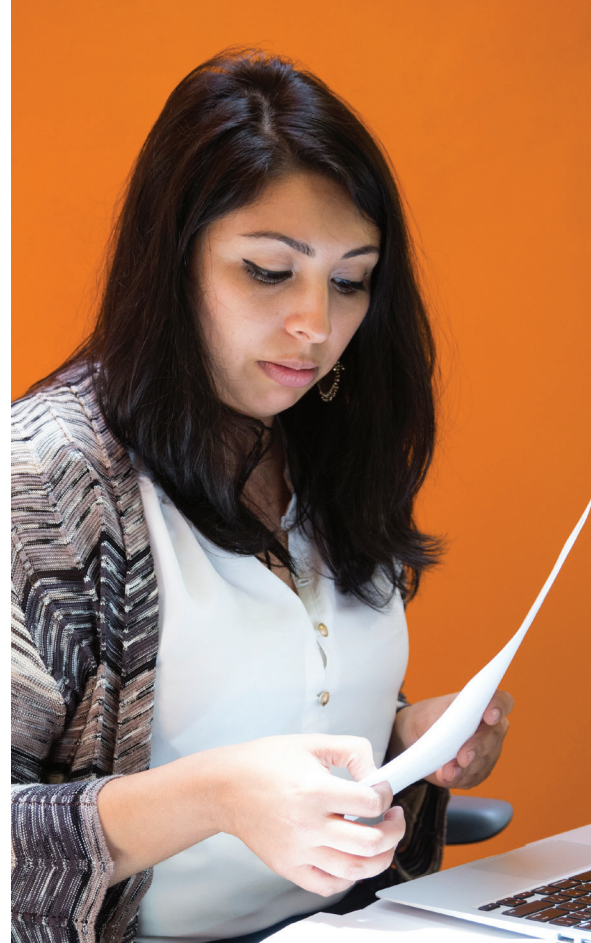
TECHNICAL ASSISTANCE AWARDS

Through the Technical Assistance component of the CDFI Program, the CDFI Fund provides grants to build the capacity of startup and existing CDFIs. Unlike Financial Assistance awards, Technical Assistance grants do not require a match of non-Federal funds.

The grants can be used for a variety of purposes, including staff salaries, benefits, training, professional services, supplies, and equipment. Newly certified CDFIs often use the funds to develop lending policies and procedures or to build staff lending capacity. More established CDFIs tend to use Technical Assistance awards to develop new products, to serve their market in new ways, or to upgrade their computer hardware or software.

In FY 2016, the CDFI Fund received 62 applications requesting more than \$7 million in Technical Assistance grants, and selected 35 organizations to receive awards totaling \$4.1 million.

THE CDFI PROGRAM
AWARDED **\$148.2
MILLION IN FA
AND TA AWARDS
TO CDFIs IN FY 2016.**

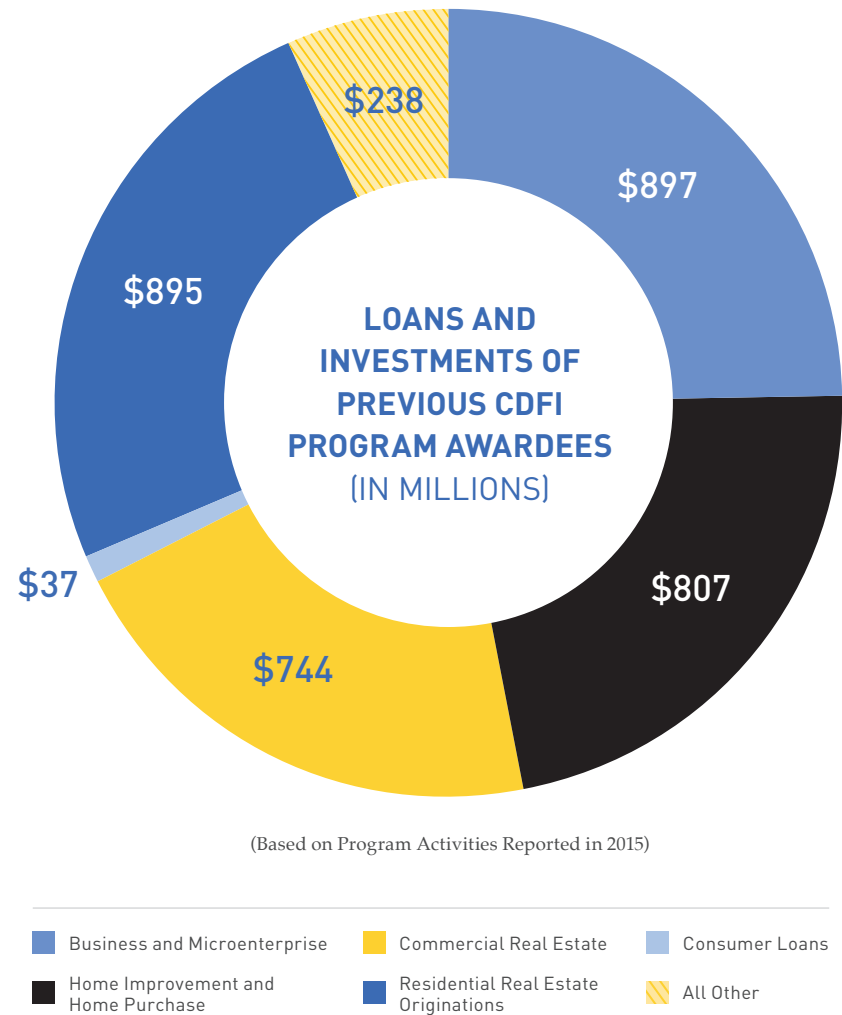


In FY 2016, the CDFI Fund received Financial Assistance applications from **361 community organizations** requesting nearly **\$547.1 million** in funding. Through a rigorous selection process, the CDFI Fund awarded **\$144 million** to **123 organizations** throughout the United States.

MEASURING SUCCESS

Organizations that receive Financial Assistance and Technical Assistance awards report their annual performance to the CDFI Fund through its online reporting system, the Community Investment Impact System (CIIS). These annual performance reports enable the CDFI Fund and the awardees to measure the impact of the funds awarded through the CDFI Program.

Below are some top performance measures for CDFI Program awardees for FY 2016, based on program activities reported in 2015.⁹



⁹Source: CDFI Fund FY 2016 Annual Financial Report
¹⁰Source: CDFI Fund FY 2016 Annual Financial Report; numbers are approximate

ANNUAL PERFORMANCE OF CDFI PROGRAM AWARDEES ¹⁰	
LENDING AND INVESTING ACTIVITY	2015 ACTIVITY REPORTED IN FY 2016
Total Loans/Investments Originated	\$3.62 billion
Affordable Housing Units Financed	33,500
Businesses Financed	11,300

2016 CDFI PRIZE COMPETITION

In 2016, the CDFI Fund ran a Prize Competition to reward innovative ideas and approaches to increasing CDFI investment and access to capital in underserved rural areas, particularly those characterized by persistent poverty. **Eight organizations received an aggregate total of \$1 million.**

Winners of the competition were selected based on their submission of innovative proposals that: (1) identify and promote new ideas and practices for implementation by CDFIs that serve rural areas, and/or (2) create value during and after the competition by encouraging CDFIs serving rural areas to develop new skills or practices that may have beneficial effects on the communities they serve.

The full list of winners, and their innovative proposals, can be found on the CDFI Fund’s website.

NATIVE INITIATIVES

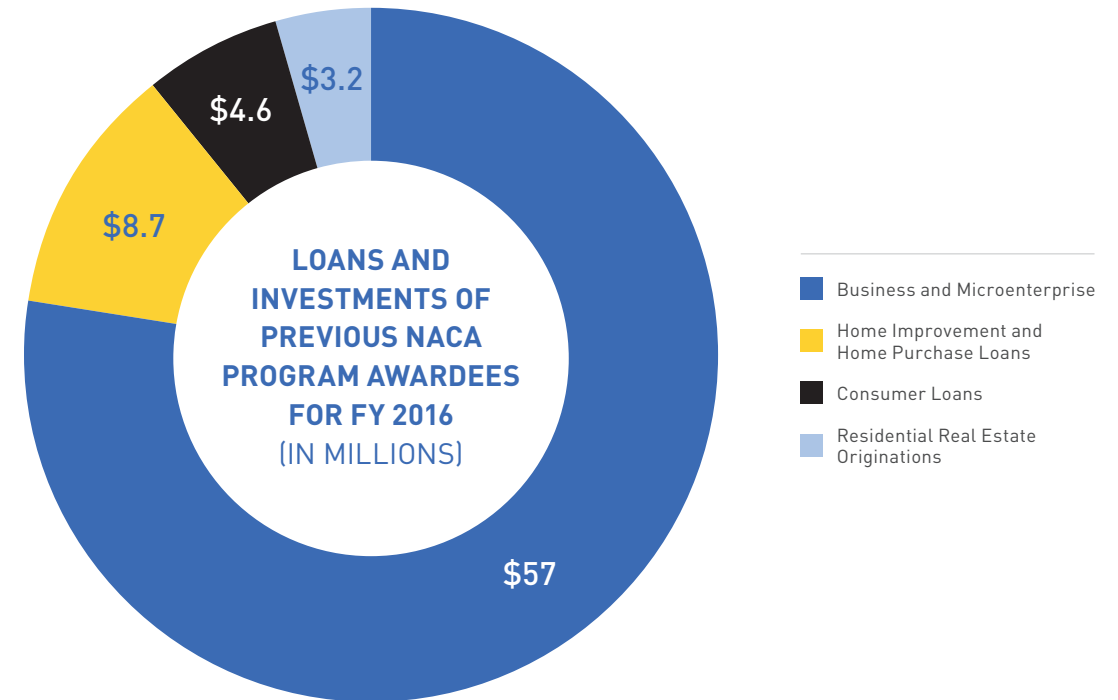
www.cdfifund.gov/native

Native Communities, including Native American, Alaskan Native, and Native Hawaiian communities, often face formidable barriers to accessing capital and basic financial services. The CDFI Fund's Native Initiatives help to increase access to credit, capital, and financial services in these communities by supporting the creation and expansion of Native CDFIs—specialized, mission-driven organizations that finance businesses, create jobs, establish and improve affordable housing, and provide financial services and financial education in Native Communities.

The main component of the Native Initiatives is the Native American CDFI Assistance Program (NACA Program), which provides Financial Assistance and Technical Assistance awards to increase the number and capacity of Native CDFIs.

The performance results reported by NACA Program awardees in FY 2016 show that Native CDFIs originated loans or investments totaling \$73.5 million based on their portfolio of activities in 2015.

**SINCE THE PROGRAM'S
INCEPTION IN 2001, THE
NUMBER OF CERTIFIED
NATIVE CDFIS HAS
INCREASED FROM 7 TO 74.**



(Based on Program Activities Reported in 2015)

ACCESS TO CAPITAL AND CREDIT IN NATIVE COMMUNITIES

In FY 2016, a new independent report on access to capital and credit in Native Communities was released by the Native Nations Institute. The Access to Capital and Credit in Native Communities Report (the Report), commissioned by the CDFI Fund, examines recent successes in the effort to improve access to capital and credit in Native Communities as well as what can be done to build on that success.

One of the successes examined in the Report is the critical role of Native CDFIs, and how, thanks to the growth and reach of Native CDFIs, many Native Community residents who want to buy a home, start a business, or take control of their finances have better options today than they did when the CDFI Fund first examined the issue in 2001. It also discusses the role of the CDFI Fund's programs for Native CDFIs, which have been a critical source of technical assistance and training in addition to capital. The full Report can be found on the CDFI Fund's website at www.cdfifund.gov/native.



In FY 2016, the CDFI Fund received 61 NACA-eligible applications requesting \$38 million in Financial Assistance and Technical Assistance awards. The CDFI Fund awarded 38 organizations a total of \$15.5 million for both Financial Assistance and Technical Assistance funding.

CAPACITY BUILDING INITIATIVE

www.cdfifund.gov/cbi

The Capacity Building Initiative provides free, specialized training programs, technical assistance, and online resources to help CDFIs improve their ability to deliver financial products and services to underserved communities.

The training programs focus on critical issues that CDFIs currently face, such as affordable housing and business lending needs in underserved communities, portfolio management, risk assessment, and foreclosure prevention, and are designed specifically to meet the needs of the participants. Additional resources, including webinars and the Resource Bank, are available online.

In FY 2016, the CDFI Fund administered two different training series listed below.

FY 2016 TRAINING SERIES:

- *Expanding CDFI Investments in Underserved Areas* series, which sought to increase CDFI coverage in underserved communities by providing advanced training and technical assistance (including one-on-one assistance, peer cohort forums, and advanced implementation forums) for CDFIs. More than 1,600 individuals representing 1,439 organizations participated in at least one of the capacity building activities offered under the training events. A broad diversity of CDFI types participated, including 773 loan funds, 213 credit unions, 114 banks, and 66 venture funds. The geographic spread was equally impressive with CDFI participants from 36 states, the District of Columbia, and Puerto Rico.
- *Building Native CDFIs' Sustainability and Impact* (BNCSI) series, which provided specialized training and technical assistance to Native CDFIs in order to foster their growth and sustainability. BNCSI provided capacity building support to 57 Native CDFIs, trained 205 staff at seven on-site training events; developed Capacity Building Plans for 39 Native CDFIs; provided 2,359 hours of direct technical assistance and coaching; and trained 123 staff through webinar engagements.

The CDFI Fund would like to thank the Opportunity Finance Network and NeighborWorks® America for conducting the training sessions.

RESOURCE BANK

The Resource Bank is an online archive of Capacity Building Initiative training materials, including texts from workshops, recordings of webinars, and a variety of reference materials and research reports. The Resource Bank is an invaluable source of information on topics of current interest to the CDFI industry, and is offered at no charge to community development practitioners and anyone else, including the general public. The Resource Bank can be found at www.cdfifund.gov/cbi.



NEW MARKETS TAX CREDIT PROGRAM

www.cdfifund.gov/nmtc

The New Markets Tax Credit Program (NMTC Program) helps economically distressed communities attract private investment capital. Established in 2000, the federal tax credit helps to fill project financing gaps by enabling investors to make larger investments than would otherwise be possible. Communities benefit from the jobs associated with these investments, as well as greater access to public facilities, goods, and services such as manufacturing, housing, health, technology and education.

Through the NMTC Program, the CDFI Fund allocates tax credit authority to certified Community Development Entities (CDEs) by a competitive application process. CDEs are financial intermediaries through which investment capital flows from an investor to a qualified business in a low-income community. CDEs use their authority to offer tax-credits to investors in exchange for equity in the CDE. With these capital investments, CDEs can make loans and investments to businesses operating in distressed areas that have more competitive terms and flexibility than market-rate products.

In the 13 rounds of tax credit allocation that the CDFI Fund has completed, since the program was first launched in 2002, 1,032 allocation awards totaling \$50.5 billion in tax credit authority have been provided.¹¹ NMTCs have generated nearly \$42 billion in investments in low-income communities and businesses, resulting in the creation or retention of more than 700,000 permanent and construction jobs, and the construction or rehabilitation of more than 178 million square feet of commercial real estate.

In 2016, the CDFI Fund allocated a total of \$7 billion in NMTCs as part of a disbursement that combined the 2015 and 2016 Calendar Year (CY) allocations into a single round—making it the largest single award round in the history of the program. In total, 120 organizations headquartered in 36 states, the District of Columbia, and Puerto Rico were selected from a pool of 238 applicants that requested approximately \$17.6 billion in allocation authority.

More than 70 percent of the 2015-2016 allocatees have commitments to one or more innovative activities through the NMTC Program, including investing in states and territories that have historically received fewer NMTC investments; investing in Native American communities; and investing in non-real-estate activities, among other uses.

¹¹The NMTC awards for the combined 2015 and 2016 Calendar Year round were announced on November 17, 2016.

THE NEW MARKETS TAX
CREDIT HAS GENERATED
\$8 OF PRIVATE
INVESTMENT FOR EVERY
\$1 INVESTED BY THE
FEDERAL GOVERNMENT.



“For the past 15 years, we have seen how the New Markets Tax Credit program improves the quality of life and economic prospects for low-income Americans. The historic **\$7 billion in tax credits** awarded through the 2015-2016 round will support many more community projects and businesses nationwide.”

– Director Donovan



ANNUAL PERFORMANCE OF NMTC PROGRAM ALLOCATEES¹²

Allocatees report Qualified Equity Investments (QEIs) and loan/investment activity to the CDFI Fund through the Allocation Tracking System (ATS) and CIIS. Annual performance data represents the allocatees’ CIIS data reported for FY 2016 (completed in calendar year 2015).

LENDING AND INVESTING ACTIVITY	FY 2016 ACTIVITIES (REPORTED IN 2015)
Loan/Investment Volume ¹³	\$3.16 billion
Number of Loans/Investments	1,146
Percent of Loans/Investments in Severely Distressed Communities	74.5%
Jobs Created ¹⁴	10,932
Projected Construction Jobs ¹⁵	26,700
Sq. Ft. of Commercial Real Estate	10.1 million
Businesses Financed	530
Affordable Housing Units Financed	660

¹²Source: CDFI Fund FY 2016 Annual Financial Report

¹³Qualified Low-Income Community Investments

¹⁴At end of reporting period

¹⁵Numbers are approximate



THE CDFI FUND'S FIVE YEAR STRATEGIC PLAN

STRATEGIC PLAN

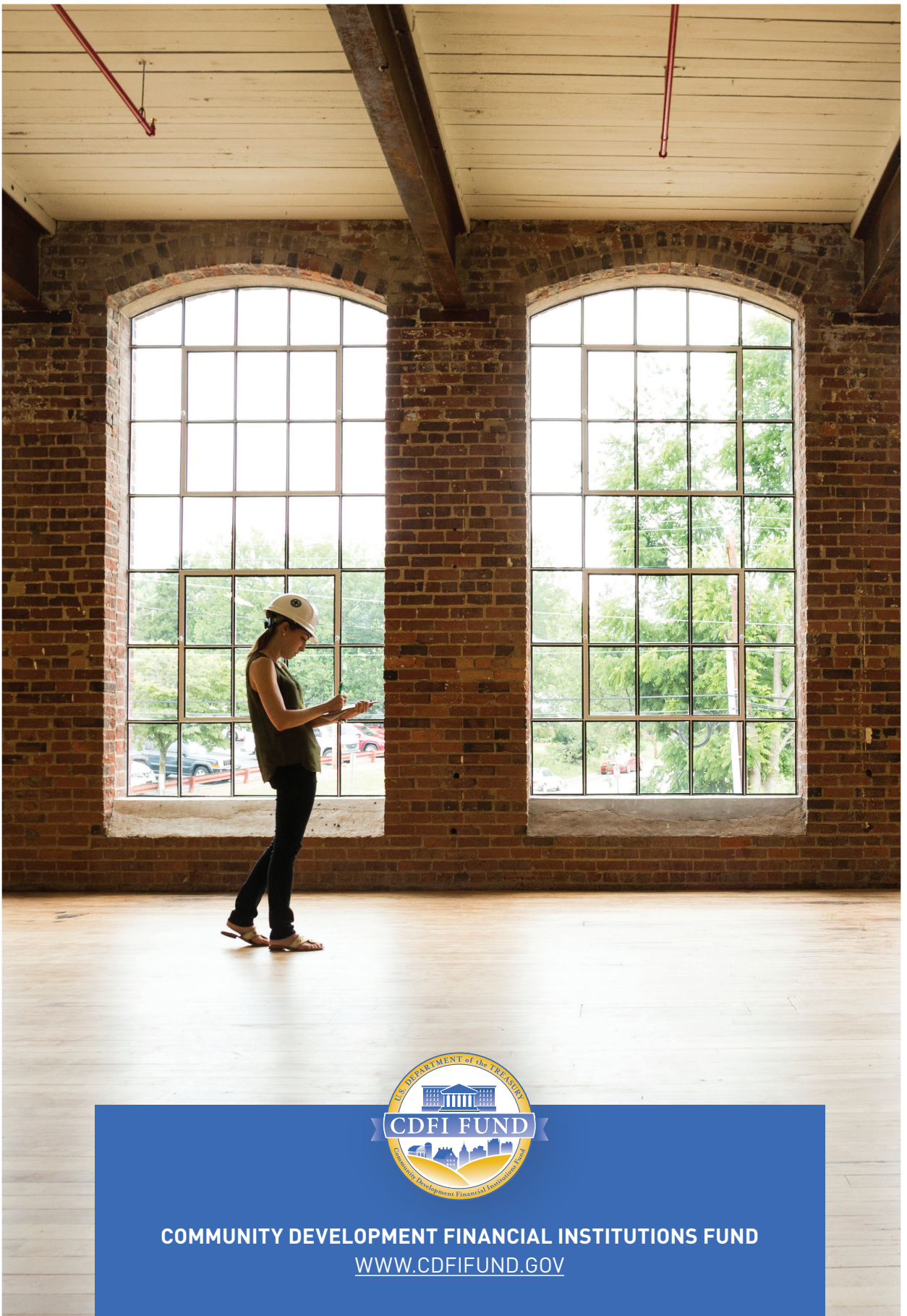
The CDFI Fund's new Strategic Plan: Impact and Excellence, will guide the CDFI Fund's actions over the next five years through FY 2022. The primary goals of the Strategic Plan are below; the full plan is available on the CDFI Fund's website.

1. Increase the impact of the CDFI Fund network by supporting the growth, reach, and performance of CDFI Fund awardees.
2. Build the capacity of the CDFI Fund and its network to better capture, produce, and utilize data to improve decision-making, performance, and accountability.
3. Ease the customer experience and create on-ramps for new and emerging CDFIs and CDEs to access CDFI Fund programs.
4. Promote awareness of CDFIs in order to expand their access to new resources.
5. Create organizational excellence by increasing workforce engagement, enhancing team performance, and improving operational efficiency.



Our thanks to the organizations photographed and the CDFI Fund awardees financing them:

- Community Coalition in Los Angeles, CA (financed by LIIF);
- DC Cakes and Firelake Arena in Shawnee, OK (Citizens Potawatomi CDC);
- Revolution Mill and Renaissance Shops in Greensboro, NC (Self-Help FCU); and
- Walnut Way and Wellness Commons in Milwaukee, WI (Forward Community Investments)



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